TD/B/EX(16)/6

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Trade and Development Board on its sixteenth executive session

held at the Palais des Nations, Geneva,
on 16 February 1998

UNITED NATIONS

Distr.
GENERAL

TD/B/EX(16)/6
9 April 1998

Original: ENGLISH

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INTRODUCTION

1. The sixteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 16 February 1998. The executive session consisted of two meetings - the 891st and 892nd plenary meetings of the Board. The agenda of the sixteenth executive session is reproduced in annex I below.

I. DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT ITS SIXTEENTH EXECUTIVE SESSION 1/

Decision 445 (EX-16): Action by the Trade and Development Board on the implementation by UNCTAD of the outcome of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development

The Trade and Development Board,

1. Takes note of the report of the High-level Meeting (WT/COMTD/12);

2. Endorses the Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least Developed Countries in their Trade and Trade-Related Activities 2/ and notes with satisfaction that the Framework aims to ensure that trade-related technical assistance activities are demand-driven by the least developed countries and meet their individual needs effectively;

3. Invites the UNCTAD secretariat, in the context of its work programme on issues of concern to LDCs, to:

(a) Contribute, through inter-agency coordination, to providing an integrated response to the trade-related technical assistance needs of those LDCs which submitted needs assessment reports but which were not featured in pilot country round tables;

(b) Assist in refining needs assessment, as required;

(c) Help, upon request, such LDC Governments that have submitted needs assessments to prepare, jointly with other agencies/partners, a multi-year trade-related technical cooperation programme;

(d) Upon request, contribute actively and provide technical support to those round-table processes at the country level envisaged in paras 5 (e) and (f) of the Integrated Framework;

(e) Contribute to the establishment and maintenance of an integrated country data base within the scope of the Integrated Framework;

1/ For other action by the Board at its sixteenth executive session, see chapters II - VIII.

2/ References in this text to the Integrated Framework are to "An Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to Support Least Developed Countries in their Trade and Trade-Related Activities" contained in WTO document WT/LDC/HL/1/1/Rev.1 of 23 October 1997.

(f) Contribute to the implementation, review, monitoring and evaluation of each country programme through an enhanced co-ordination process with the other organizations involved;

(g) Include UNCTAD activities under the Integrated Framework in the secretariat's annual report on technical cooperation to the Working Party on the Medium-term Plan and the Programme Budget and the Board;

(h) Ensure that existing relevant technical cooperation activities of UNCTAD, including country-specific, sectoral and other inter-agency programmes, are supportive of, complement and promote the effective implementation of the outcome of the High-level Meeting;

4. Invites development partners of LDCs, both bilateral and multilateral, to provide adequate extrabudgetary resources as necessary to UNCTAD to supplement regular budget allocations to implement the above activities in conformity with paragraph 5(j) of the Integrated Framework;

5. Requests the UNCTAD secretariat to ensure that the outcome of the two thematic round tables organized within the framework of the High-level Meeting is brought to the attention of the relevant Commissions and expert meetings of UNCTAD for consideration and necessary follow-up action; in particular, the outcome on trade should be referred to the Commission on Trade in Goods and Services, and Commodities, that on investment to the Commission on Investment, Technology and Related Financial Issues, and the outcome on wider development issues to the Commission on Enterprise, Business Facilitation and Development; the secretariat is requested to provide these Commissions with option papers setting out the policy options they may wish to consider in the light of the outcomes;

6. Recommends that the Secretary-General of UNCTAD consider convening an ad hoc meeting as soon as possible on GSP, GSTP and new initiatives for LDCs in the area of market access to provide an opportunity for officials and experts from member States to discuss the major new developments in their national GSP schemes, including review of their special provisions in favour of LDCs, propose measures to extend the necessary advisory services to enhance GSP/market access utilization, and follow up and monitor the announcements made in this regard during the High-level Meeting; the report of this ad hoc meeting should be brought to the attention of the Commission on Trade in Goods and Services, and Commodities;

7. Requests the UNCTAD secretariat to inform the Board, on a six-monthly basis to begin as soon as possible, on progress of work in the design and in the implementation of activities related to the High-level Meeting, and in particular on:

(a) Work relating to inter-agency co-ordination, both at the headquarters level and in the field;

(b) Suggested priorities arrived at in consultation with other agencies for the implementation of its part of the outcome of the High-level Meeting, taking into account available and possible future resources;

(c) The relevant allocation of resources, including, where possible, cost estimates relating to both regular-budget and extrabudgetary activities, including those supported by the Trust Fund for LDCs;

8. Invites the Secretary-General of UNCTAD to consider, in cooperation with the relevant organizations, appropriate arrangements at the inter-agency level to ensure coordinated implementation of the outcome of the High-level Meeting and to report at the April consultations of the President of the Board for further consideration of the matter by the Trade and Development Board;

9. Recommends that, in the light of the report of the Secretary-General, the Trade and Development Board consider how best to achieve intergovernmental coordination between the relevant organizations in order to ensure the most efficient implementation of the outcome of the High-level Meeting.

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16 February 1998

Decision 446 (EX-16): Guidelines on the efficiency and functioning of the UNCTAD intergovernmental machinery

Within the framework of the intergovernmental structure established at UNCTAD IX, the Trade and Development Board at its sixteenth executive session has reviewed the functioning of its intergovernmental machinery and has adopted the guidelines set out below in order to improve the working methods and enhance the functioning of that machinery. The various bodies at the different levels of the machinery, with the support of the secretariat, will apply these guidelines immediately and in a flexible manner to ensure maximum effectiveness.

General considerations

1. The role of bureaus should be an active one, both during and between sessions of the bodies concerned. Bureaus should deal with organizational and procedural matters. Should they wish to take up matters relating to the preparation of substantive issues, they should meet as extended bureaus. 1/

2. The UNCTAD calendar of meetings should be designed to ensure that expert meetings take place before the sessions of the relevant commission, and that commission sessions take place prior to sessions of the Board.

1/ An extended bureau comprises the officers of the bureau, the regional group coordinators and interested delegations.

3. Delegations should be briefed on all aspects of a meeting at least four weeks before the meeting. Pre-session documentation should be distributed on time and in all languages.

4. Panels should be organized only when they can add value to the discussions of the bodies concerned. Member States should be consulted well in advance in connection with the topics of panels and the choice of panellists. The selection of panellists should be based on the need to ensure a balanced presentation of the topics selected, as well as linguistic and regional balance. Permanent missions should be informed of invitations extended to panellists or resource persons from their countries. Panellists should be properly briefed prior to meetings, and they should provide written summaries of their presentations for distribution to participants. The length of time spent on panels and the number of panellists should be limited in order to allow sufficient time for intergovernmental discussions. A written summary of the panel discussions should be produced by a rapporteur in order to ensure the necessary link with the intergovernmental debate.

5. To improve transparency and allow maximum participation, simultaneous meetings during a session should generally be avoided, and discussions on texts on which decisions must be taken, in particular agreed conclusions, should normally take place in informal plenary meetings, not in closed consultations.

6. All information relating to meetings, including preparations, documentation and outcomes, should be made available on UNCTAD's web site, which should be regarded as an integral part of meetings arrangements. Information on pre-session preparations and documentation should in principle be made available six weeks before a meeting.

7. Brief summaries should be prepared by the secretariat of all informal substantive discussions, without attribution of views to individual delegations.

Trade and Development Board and Working Party on the Medium-term Plan and Programme Budget

8. The agenda for sessions of the Board should be prepared in such a way as to allow the Board to cover all issues addressed to it in the final outcome of UNCTAD IX. It should be well focused.

9. The Board should examine and evaluate the work of the Commissions and determine the direction of new work; it should not just take note of the Commissions' reports.

10. The Board should strive to achieve better coherence between its sessions and the sessions of the Commissions in terms of choice of items and preparation of the calendar to enable the expertise of the expert meetings to find its way up to the Board and to allow the Commissions to take account of the deliberations of the Board.

11. Preparations for the high-level segment, including the selection of the theme, the chairman and the panellists, should be transparent and based on consultations with all member States.

12. The theme of the high-level segment should be of international importance in order to attract high-level participation; the selection of the theme should take place in the first half of the year. In principle, there should be a direct link between the theme of the high-level segment and the agenda for the Board's session.

13. High-level representatives at the segment should be given an opportunity to present their views and participate fully, with the high-level segment being treated as a high-level intergovernmental debate.

14. The secretariat should prepare a summary of the discussions at the high-level segment as rapidly as possible and, if timing permits, before the end of the regular session of the Trade and Development Board.

15. The work of the Working Party should be coordinated and synchronized with the work of the relevant bodies in New York in order to ensure that the views of the Working Party are taken fully into account. Its work should also be organized in such a way as to give members sufficient time to consider documentation.

Commissions and Expert Meetings

16. The organization of work of the Commissions should be such as to allow the Commissions to devote themselves to substantive issues.

17. The bureaus of the Commissions, meeting in the appropriate configuration, should continue to function between Commission sessions with a view to dealing with, among other things: preparations for and follow-up to Commission sessions and expert meetings; preparation of proposed topics for Commission agendas and expert meetings; organization of work; documentation.

18. The number of expert meetings to be convened by a Commission should be determined by the Board.

19. Each Commission should consider the findings of its expert meetings and discuss their policy implications. It should have before it an indication by the secretariat of the nature of those policy implications and of possible action to be taken.

20. In selecting the topics for expert meetings, Commissions should ensure that topics are demand-driven, are closely related to the Commissions' work and take into consideration issues of current interest to member States and in particular developing countries. Account must be taken of UNCTAD's comparative advantages and of the secretariat's expertise and capacity.

21. The Commissions should discuss and evaluate technical cooperation activities linked to their work programmes and make proposals to the Board. Special attention should be given to strengthening the synergy between policy dialogue, study and analysis, and technical cooperation.

22. Wherever possible, as the outcome of their work the Commissions should seek to adopt agreed conclusions of relevance to the international community, Governments and the UNCTAD secretariat. Recommendations for work to be carried out by the secretariat should be practical and realistic in terms of capacity.

23. When the Commissions request work to be carried out by the secretariat, the latter should inform the Commissions in particular of the schedule of work, the probable time of completion and reporting modalities.

24. The Commissions should have before them, at the following session, progress reports on the implementation of agreed conclusions and recommendations by the secretariat. These progress reports, which should include an evaluation of the work undertaken, should be presented to the extended bureaus before being submitted to the Commissions.

25. Experts attending expert meetings convened in accordance with paragraph 114 of "A Partnership for Growth and Development" are nominated by their Governments. All participants at expert meetings have the status of expert and serve in their personal capacity. In all matters relating to participation of experts in expert meetings, the secretariat should deal with permanent missions. Governments are encouraged to nominate non-governmental experts also.

26. To improve the effectiveness of expert meetings, the secretariat should provide experts with appropriate information on UNCTAD, its activities and procedures, and the anticipated nature of the expert meetings in question.

27. The agenda of each expert meeting should be clearly established by the Commission convening the meeting.

28. Wherever possible, as the outcome of their work expert meetings should seek to identify possible policy options relating to capacity-building and general policy guidelines.

29. After each expert meeting, it is recommended that the extended bureau of the relevant Commission meet in order to discuss the outcome of the meeting.

30. With a view to facilitating the participation of experts in expert meetings and thereby helping to improve the effectiveness of these meetings, member States are encouraged to explore means of enhancing such participation, including through contributions to the trust fund established by the Secretary-General of UNCTAD and other resources possible to finance the participation of experts from developing countries.

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Decision 447 (EX-16): UNCTAD's publication policy

The Trade and Development Board,

Decides that the Working Party on the Medium-Term Plan and the Programme Budget should meet as soon as possible to:

(a) Review the "Report on documentation and publications" (TD/B/EX(15)/5) of 27 May 1997 and the "Progress report on the implementation of UNCTAD's publication policy" (TD/B/EX(16)/3 and Add.1) in order for member States to ascertain to what extent the policy set out therein is in line with their objectives for the overall publications policy of UNCTAD, taking into account the current discussion in the General Assembly on the publications policy for the United Nations as a whole in the light of the report of the Joint Inspection Unit (A/51/946) and the comments of the Secretary-General of the United Nations thereon (A/52/685), and to enable member States to monitor that UNCTAD publications are in line with the publications policy;

(b) Recommend any changes that might need to be adopted to achieve such objectives and to ensure the role of member States in this process.

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16 February 1998

Decision 448 (EX-16): Savings resulting from improved overall cost effectiveness

The Trade and Development Board,

Recalling paragraph 107(a) of "A Partnership for Growth and Development" (TD/378), paragraph 33 of General Assembly resolution 51/167 and paragraph 54 of General Assembly resolution 52/220,

Decides:

(a) To request the Secretary-General of UNCTAD to present as soon as possible to the Working Party on the Medium-Term Plan and the Programme Budget a detailed report on the savings achieved pursuant to the ninth session of the Conference and paragraph 54 of General Assembly resolution 52/220;

(b) That the Working Party should meet urgently to review the savings resulting from the improved overall cost-effectiveness achieved pursuant to the

ninth session of the Conference, including restructuring of the intergovernmental machinery and reform of the secretariat, and to analyse proposals, when forthcoming, on the use of such savings;

(c) That the Working Party should propose recommendations on how to allocate in the 1998-1999 budget cycle a part of the savings already achieve with view to strengthening UNCTAD capabilities, including *inter alia* technical cooperation.

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16 February 1998

II. OPENING DEBATE

2. The **Secretary-General of UNCTAD** said that he had attended the meeting of the Group of 24 in Caracas from 7 to 9 February, at which the Asian financial crisis had been discussed. In his statement to the meeting, he had concentrated on two main points; the first concerned the implications of the financial crisis in terms of international trade, and the other related to the global context in which the crisis was taking place, namely the major macroeconomic imbalances already present in the world economy, and what could be done to avoid the too frequent repetition of major financial and monetary crises.

3. On the first point, even before the crisis had started in Asia, there had already been a lack of equilibrium among the major economies in the world, with a growing tendency towards surplus in trade balances and current account balances on the part of Japan and the European Union and on the contrary a growing trade deficit on the part of the United States. With the impact of the Asian financial crisis, this tendency could substantially worsen the prospects for international trade, as the Asian economies, which had been one of the major sources for global import demand in the world, would have to adjust to the shock that they were experiencing and at least for some time would have to cut imports sharply and increase exports. Of course, this would pose the problem of who would have to absorb these additional exports in the international economy at a time when there was no major trend towards a recovery led by domestic demand in two of the major economies in the world. In addition, the credit crunch in the Asian economies had been such that no export-led recovery had materialized so far. On the contrary, the substantial surpluses achieved in December in the Republic of Korea and Thailand had been largely due to sharp import reductions and not to export growth, because those economies were facing enormous constraints in getting access to export credit, insurance credit, and credit to import the raw materials and inputs that they needed in order to stimulate their foreign trade. In that connection, however, it appeared that steps were already being taken by some major countries in order to ease the terms of export credit for those economies.

4. With regard to the second problem, which was the need to devise better ways of avoiding the frequent repetition of crises, the lessons from the Latin American crisis of the 1980s had not been enough to avoid the serious crisis in Mexico and other countries of Latin America in 1994/1995, nor had the lessons from this latter episode made it possible to avoid the new crisis in Asia. This should indicate the need for humility and for a careful and balanced appraisal of what was behind those crises. No one could claim to have a full understanding of the reasons for the crises or of remedies to prevent them in the future, and what was needed was not a precipitate, ready-made or simplistic answer. In the recent past, it had been thought that simply ensuring greater transparency would be enough, but that had failed. Something more was needed, and this would be more in the nature of a process - a process with an agenda and time in front of it to carefully assess the nature and causes of these crises and better ways of preventing them. It was more a matter of improving institutions and improving instruments to deal with these crises rather than achieving a definitive solution in a once-and-for-all effort. This approach was reflected in the final communiqué published at the end of the G.24 meeting on 9 February.

5. The mission of UNCTAD was to serve as the focal point in the United Nations system for the integrated treatment of money, finance, trade, investment, technology and development with a view to creating favourable conditions for development. UNCTAD's approach to the Asian financial crisis was based on the need to assess how problems related to financial flows could impact on international trade and development in general. The biggest threat to free trade was precisely the excessive volatility in monetary and financial relations, and that was why one of UNCTAD's major concerns was to assess exactly what this impact would be in the current year in terms not only of trade but also of the prospects for short-term and portfolio financing, foreign direct investment and development opportunities. All those interrelated issues would be carefully monitored by UNCTAD during the coming year, either in the work on the *Trade and Development Report*, a major part of which would be devoted to the analysis of crises in recent years, or in the *World Investment Report*, which would try to assess the implications of the crisis for flows of foreign direct investment and the pattern of development that had taken place in Asia, the so-called flying geese paradigm. In addition, in May an expert meeting would study the problem in terms of portfolio investment. The basic purpose of such efforts should be to restore confidence and trust as soon as possible in those markets that had been affected. In that light, it might be interesting to devote part of the Board's session in October to consideration of the global implications of the crisis for trade, for development, for FDI and for other forms of financing.

6. The spokesperson for the **Group of 77 and China** (Costa Rica) said that, two years after Midrand, the developing countries were facing challenges that could not have been foreseen. In pursuing its main function, which was to carry out analysis with a view to providing policy guidance, UNCTAD could help countries face up to the challenges before them, identify the root causes of problems and work out solutions. Many international fora were examining the South-East Asian crisis, and it would be a pity if UNCTAD did not do the same from the point of view of trade. Her Group welcomed the fact that the *Trade and Development Report* would be devoted in part to the crisis and that discussions would also be held at an expert meeting, but it would also welcome an opportunity to discuss how UNCTAD could deal further with the matter. In that connection, it was worth noting that one of the purposes of executive sessions of the Board was to allow member States to discuss urgent issues, and the present discussion showed the continuing relevance of that approach.

7. With regard to the period leading up to UNCTAD X, the agenda for the Conference should be decided on by the end of 1998. The Group of 77 and China would be setting up a preparatory committee for the Conference.

8. The representative of the **United States of America** said that he supported the Secretary-General of UNCTAD with regard to the importance of monitoring developments in Asia and their impact on trade and he welcomed his suggestions as to the role that UNCTAD could play in that connection. His country remained fully committed to the implementation of the outcome of UNCTAD IX, as well as to the improved functioning of the intergovernmental machinery. It considered that member States should use the Mid-term Review to determine how UNCTAD's analytical work, policy research and policy formulation assistance had influenced changes in national policies and local realities. A frank and open assessment would help pave the way to UNCTAD X.

9. The guidelines on the efficiency and functioning of UNCTAD's intergovernmental machinery presented by the Vice-President of the Board would certainly assist greatly in promoting the most transparent and efficient consideration of substantive issues. His delegation also strongly supported the draft decision on UNCTAD's publications policy, and it would be essential to give the Working Party a mandate to allow it to begin reviewing that policy in April.

10. Finally, the strong emphasis in the Midrand Declaration on the needs of the least developed countries, particularly those in Africa, called for more vigorous and integrated efforts throughout the UNCTAD secretariat, and the high priority to be accorded to least developed countries should be reflected in resource allocations. His delegation supported the efforts to enhance its coordination with relevant international organizations and donors.

11. The spokesperson for the **African Group** (South Africa) said that one way of starting work on the East Asian crisis would be to have a seminar, convened by the Secretary-General of UNCTAD under his own authority, to help delegations map out what was known and share views. He requested the President of the Board to continue looking into the issue with a view to reaching a final decision.

12. The representative of the **United Kingdom**, speaking on behalf of the **European Union**, said that the Asian crisis affected all countries, and UNCTAD should have a role to play in examining the crisis from a trade and development perspective. This would also provide an opportunity to look at existing development models with a view to their possible revision. The Asian financial crisis was a complex matter. It was not yet over. The temptation to draw hasty lessons or reach simplistic conclusions must be avoided. And one should distinguish between the three stages involved in considering the crisis: short-term crisis management; the process of drawing conclusions; and consideration of what was to be done to avoid future crises. Currently, the crisis management phase was under way. The European Union looked forward to the coverage of the problem in the *Trade and Development Report* and in the Board in October. With regard to the question of a seminar on the subject, the European Union was sympathetic to the idea, but it was still too soon for such a meeting, and in any case the subject was of such importance that it would be preferable to take it up within the framework of the intergovernmental machinery. The crisis could perhaps be the theme of the Board's high-level segment in October.

13. The representative of **India** said that there was a need for UNCTAD to carry out a set of activities in connection with the East Asian crisis so that the East Asian dynamic growth model could be examined in its current state of crisis with a view to drawing lessons. The European Union considered that it would be wrong to hurry into a seminar, but although no one could claim to understand all aspects of the crisis, the latter was having a real impact, and any light that could be thrown on the problem would help policy-makers to react in the most enlightened manner possible. While, therefore, it would indeed be wrong to be over hasty, it would also be a mistake to wait until the crisis was over and the damage done before acting. The idea of a seminar was a good one and should receive favourable consideration. An executive session was also a possibility; the main thing was to start work quickly.

14. The representative of **China** said that his country attached great importance to the Asian financial crisis. The high growth rates in Asia had led to high

growth in the global economy, and the crisis in Asia would similarly lead to a drop in global demand and growth, so the crisis was a global issue. His delegation therefore supported the idea of holding a seminar or other meeting without delay in order to study the crisis and identify ways of preventing similar phenomena in the future. For its part, China would make every effort to continue cooperating with its neighbours and IMF in order to weather the storm. The Chinese currency would not be devalued, and appropriate measures would be taken to absorb the unfavourable consequences of the crisis. The country would try to attain a growth rate of eight per cent by expanding infrastructure and environment spending in order to raise demand. Financial reform would also be pursued.

15. The spokesperson for the **Asian Group** (Thailand) said that the contribution of UNCTAD should be directed towards restoring confidence and trust. His delegation welcomed the proposals concerning coverage of the crisis in the *Trade and Development Report* and the *World Investment Report*, as well as at the high-level segment of the Board, and it supported the idea of holding a seminar on the issue. Even although the crisis was not yet over, it was useful for countries to educate themselves as of now. The timing of such an event could be left to the discretion of the Secretary-General of UNCTAD.

16. The representative of **Egypt** said that the Second Caracas Declaration was useful and should be circulated as an official UNCTAD document. His delegation supported the idea of holding a seminar, which should take account of all dimensions of the crisis with a view to avoiding future ones. He could not agree with the European Union that UNCTAD should defer any activity in this connection. It was clear that no one understood all the causes of the crisis and that the latter was spreading quickly, so it was in fact important to speed up analysis in order to help all countries, developed and developing alike, to draw appropriate lessons. A part of the high-level segment of the Board could be devoted to the issue of the crisis.

17. The representative of **Japan** said that the crisis affected not only South-East Asia but East Asia as a whole and was very intricate, and it was therefore important for UNCTAD's member States to grasp what had happened in order to avoid similar crises in the future. However, precisely because of the intricacy of the situation, it would be premature to discuss it in UNCTAD or anywhere else until an overall picture could be obtained. UNCTAD's mandate was in the area of trade, investment and development, and so far UNCTAD had not involved itself in any of the ongoing emergency operations in East Asia. Finally, he suggested that, even if the time became ripe, UNCTAD should invite the international organizations actually involved in operations in Asia to participate,and discussions based on their inputs should be assured in order to have a meaningful gathering on the issue.

18. The representative of **Switzerland** said that all countries were affectedby the crisis, and UNCTAD should see what could be done to avoid future repetitions. His delegation had no problem with the idea of a seminar under the responsibility of the Secretary-General of UNCTAD.

19. With regard to the Mid-term Review, the President of the Conference was to convene a high-level meeting with a view to sustaining the political impetus of UNCTAD IX, and it was important for the relevance of UNCTAD that that meeting be

an authentic exercise. With regard to UNCTAD's publications policy, which was an essential element of UNCTAD's work, member States must be involved in its formulation. After all, the clients for UNCTAD publications were primarily government policy-makers.

20. The representative of **Jamaica** said that the "East Asian crisis" should rather be defined as a problem of global capital flows and of related domestic policies. The crisis in East Asia was unique and different from other crises, but it shared with them a common thread, namely the problem of global capital flows. UNCTAD had a long history of dealing with the trade/development/money nexus, and it had a clear mandate for analysis, but although the best analysis came after the event, there was also a need for analysis that would help policy-making in response to the unfolding situation. It would be wrong to wait until the crisis had already taken its toll on ordinary people, since a timely response could improve living standards and indeed save lives. If UNCTAD did not discuss the matter, it would be neglecting an issue that was central to development. If it waited until the *Trade and Development Report* became available at the autumn session of the Board, that would be too late, and if all it did was to hold a seminar of the Secretary-General, that would not be a serious approach to a serious matter. It was hoped that UNCTAD would take a prudent but forward-looking and courageous approach, since its response would determine whether the organization was marginal or not.

21. The spokesperson for **Latin America and the Caribbean** (Venezuela) said that UNCTAD IX had given UNCTAD a clear mandate to study capital flows, growth and development. This in itself gave UNCTAD a mandate to examine the East Asian crisis, but a number of other factors provided additional justification. Firstly, there was a clear link between the crisis and macroeconomic analysis, and the commonly made claim that maintaining macroeconomic balance automatically led to growth and stability needed more careful examination. Secondly, the crisis was spreading rapidly from one country to another, and it was therefore not just a financial crisis. In order to understand the mechanism, a new focus was needed in the approach to the problem. Thirdly, UNCTAD could make a fundamental contribution by focusing on the relationship between the monetary and financial system on the one hand and trade and development on the other. In short, UNCTAD had an important role to play in analysing the East Asian crisis, and it should do so at various levels, including the high-level segment of the Board, the *Trade and Development Report* and other mechanisms. Moreover, UNCTAD should deal with the question of global capital flows in the context of trade and development in an ongoing manner. It was hoped that the Secretary-General of UNCTAD would be in a position to make recommendations on how to proceed.

22. The **President** said that the East Asian crisis was complex, it affected trade and development and it seemed not to have exhausted itself in terms of its regional and global impact. While a number of countries supported the idea of holding a seminar in the near future, there was not as yet a clear consensus on the matter. It would therefore be advisable to explore the matter in the near future in order to decide how to proceed.

23. The **Secretary-General of UNCTAD** said that, although no one could pretend to have a full understanding of all the reasons behind the crisis, many aspects had already been identified in the analyses that had been published, among others by UNCTAD itself. The problems could be divided into three categories. The

first concerned questions that were systemic in nature and had to do with system design; they related to whether the current system for regulating monetary and financial matters was the best possible or whether there was room for improvement. The second group of subjects was related not to system design in itself, i.e. institutions and instruments, but to macroeconomic coordination, i.e. how to improve the quality of coordination of policies among countries in general. And the third group of problems had to do with the concrete manifestations of problems and shortcomings in system design or macroeconomic coordination and took the form of short-term problems, for instance impacts on trade, problems of credit crunch, the collapse of financial flows, the banking sector, corporate debt, and increased protectionism.

24. Most of those questions had actually been addressed by UNCTAD in a timely way. In the 1990 *Trade and Development Report*, the basic message had been that the 1990s would be dominated by financial volatility, and attention had also subsequently been drawn to the lack of good macroeconomic coordination among the major economies. It was strange that this latter subject, although central to the crisis, was barely mentioned in discussions, presumably because it had delicate implications in terms of the policies followed by economies like the European Union or Japan. However, the world economy was not going to come out of the crisis if only one major economy, i.e. the United States, remained the sole and exclusive source of global import demand, as was likely to be the case at least in the next few months. In the same way, the risk of increasing trade protectionism, the export credit crunch and the problems of the banking sector had been addressed by UNCTAD on many occasions.

25. There were of course other problems that still remained to be adequately addressed, for example the question of corporate debt. If the Asian crisis was basically a crisis of the banking system, it could be dealt with simply by improving the prudential regulations and supervisory measures applying to that banking system. But that was not the case, and other factors were also present, in particular the high indebtedness of the corporate sector. The debt incurred abroad by non-bank private companies and corporations in the Republic of Korea, Thailand and Malaysia had played an enormous role in the crisis.

26. The point was that most of these problems had been raised by UNCTAD and by other institutions, and in some cases concrete solutions had been proposed, while for others much remained to be done and there was no consensus about possible solutions. There was therefore still need for more informed and orderly debate by the international community in those areas, and what was needed was not an attempt at a sort of new Bretton Woods, a once-and-for-all major conference, but a balanced and careful process, with an agenda that would cover all the issues involved. Such a process could not take place in one institution alone, because there were matters which related to trade, while others fell more within the competence of IMF or other institutions. There was therefore scope for useful contributions by many different institutions, but this would take time, and the international community tended to act in problems like this when it had no choice.

27. In some areas, of course, useful work could be done, particularly in respect of monitoring. What was the impact of the crisis on trade, for instance? How was the crisis going to change the pattern of trade in 1998? Would it contribute to an extension or a contraction of trade? How would participation

in trade be affected? What would be the trends in terms of anti-dumping and the adoption of protectionist counter-measures? There were no ready-made answers to those questions, and consultations should be held to see how UNCTAD could contribute to overcoming problems of trade, export credit, insurance credit, and protectionism. If agreement was reached on ways of reaching those objectives, then the question of a seminar would also be resolved, since the problem was not so much whether to convene a seminar or a formal meeting, but what the goal was to be.

Action by the Board

28. At its 891st plenary meeting, on 16 February 1998, the Board took note of the statements made and agreed that the question of how to proceed on the issue of the East Asian financial crisis should be explored in the near future.

III. FOLLOW-UP TO THE WTO HIGH-LEVEL MEETING ON INTEGRATED INITIATIVES FOR LEAST DEVELOPED COUNTRIES' TRADE DEVELOPMENT

(Agenda item 2)

29. The representative of **France**, speaking on behalf of the Permanent Representative of France, who had chaired open-ended consultations on the role of UNCTAD in the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, and introducing draft decision TD/B/EX.16/L.1, said that UNCTAD had been associated with the High-level Meeting at the secretariat level only. The adoption of the draft decision, however, would mark the formal acceptance by UNCTAD, at the intergovernmental level, of the recommendations adopted by that Meeting, particularly those related to the Integrated Framework for Trade-related Technical Assistance (WT/LDC/HL/1/Rev.1). Under the terms of the draft decision, the UNCTAD secretariat was invited to participate fully in the implementation of the decisions of the High-level Meeting, and related ongoing UNCTAD activities, such as the integrated country programmes, and activities planned in cooperation with other organizations would be integrated into this undertaking. The various levels of the intergovernmental machinery would take up the recommendations of the thematic round tables and the announcements made in connection with market access. The latter would also be the subject of an ad hoc expert meeting to be convened by the Secretary-General of UNCTAD. The secretariat was requested to keep the Board regularly informed of progress of work, and the Secretary-General of UNCTAD was invited to engage in discussions on an inter-agency cooperation mechanism.

30. The representative of **Bangladesh** speaking on behalf of the **least developed countries**, said that much remained to be done in the follow-up to the High-level Meeting, and LDCs could not be blamed for their feeling of disappointment. The show-casing that was to have covered all willing LDCs had not taken place, and the autonomous market access statements had not been collated. No information had been transmitted to LDCs, and LDCs were not aware of any notification in that regard. No follow-up mechanism was yet in place.

31. LDCs urged speedier action on the part of the sponsoring agencies and wished to see UNCTAD play its mandated role in the follow-up. If necessary, UNCTAD should retool itself and gear its administrative and programmatic machinery to that end without further loss of time. The next series of events would be round tables in LDC capitals, for which UNCTAD should provide effective coordinated support. It was for UNCTAD to bring development perspectives into broader relief through the implementation measures and to assist LDCs in the mobilization of resources for integrated country programmes.

32. The least developed countries regarded the follow-up mechanism at both the intergovernmental and the institutional level as of critical importance in their efforts to build on the outcome of the High-level Meeting, and such a mechanism should be put in place without further delay. As for UNCTAD itself, LDCs had every confidence in its capacity to deliver.

33. The representative of **Egypt** said that the High-level Meeting had provided an important occasion for the international community to increase trade opportunities for LDCs, in accordance with the Singapore Declaration, by providing technical assistance, facilitating market access for LDCs' exports and creating a conducive environment for the implementation of reforms and measures by LDCs. He stressed the importance of moving towards a world economic order characterized by justice and equity, and the leading members of the international community should play their role in bridging the gap between the developed and developing countries and contribute to the costs of this process. It was, however, regrettable that the High-level Meeting had not been open to all UNCTAD or ITC members.

34. Egypt commended the leading role played by UNCTAD in providing assistance to LDCs, and called on UNCTAD to play an active role in implementing the outcome of the High-level Meeting. After the needs of all LDCs had been assessed, the scope of the programme should be expanded to cover all developing countries.

35. Egypt welcomed the Integrated Framework for Trade-related Technical Assistance adopted by the High-level Meeting. However, the organization of one-hour country-specific Round Tables had not allowed a detailed examination of the trade-related technical assistance needs of LDCs. He emphasized the importance of considering the requirements of all LDCs as soon as possible.

36. Some developing countries, despite the difficulties they were facing, had taken initiatives to help LDCs in their development efforts, and he hoped that developed countries would be more generous in assisting LDCs, without any conditionality, to integrate into the world economy. Egypt was among the developing countries which had announced an initiative in favour of LDCs at the High-level Meeting. The initiative involved a reduction in customs tariffs on a large number of products of export interest to LDCs; training of trade officials; and readiness to host a symposium, to be organized by UNCTAD, WTO and ITC, to discuss issues relating to LDCs' accession to WTO. His delegation would undertake consultations with concerned organizations and countries in this regard and inform the Trade and Development Board of developments.

37. It was regrettable that the volume of ODA provided by DAC members had declined and remained well short of the target of 0.7 per cent of GDP. He hoped that trade-related technical assistance to LDCs would be implemented rapidly within the context of the Integrated Framework and that a mechanism for follow-up would be put in place either in UNCTAD or in one of the other agencies involved as soon as possible.

38. The representative of **Norway** said that, within the framework of the priority given to the LDCs in Norwegian development policy, his Government attached great importance to the High-level Meeting and its follow-up, and welcomed the opportunity to promote more integrated approaches to trade and development and between agencies both in Geneva and system-wide. It was regrettable that UNCTAD had been unable to act as co-sponsor of the High-level Meeting, but that would not prevent an active role for UNCTAD in the follow-up process.

39. The draft decision supplemented and updated the strong mandate given to UNCTAD on LDC-related work. The follow-up to the High-level Meeting was not only

a responsibility but also an opportunity for UNCTAD. Owing to its focal point responsibility on work related to LDCs, as confirmed by the Paris Programme of Action and the Mid-Term Global Review, UNCTAD had a unique background against which to address the real problems faced by LDCs in the new global economy. It was time that the excellent work reflected annually in the *LDC Reports* be translated into policy advice to individual LDCs in the context of the Integrated Framework.

40. Finally, while he welcomed the call in the draft decision for strengthened inter-agency co-ordination, he believed that member Governments also had a responsibility to coordinate their own polices and positions in different agencies.

41. The representative of the **United Kingdom**, speaking on behalf of the **European Union**, said that the item under consideration was of primordial interest to the European Union, which was wholly supportive of the High-level Meeting. The objectives of the High-level Meeting would only be achieved if they were taken seriously by the six agencies concerned, and the key to success was an integrated approach by each of the six agencies. Neither UNCTAD nor any other agency should believe that it could operate in isolation. Indicators should be developed on the progress and impact of programmes in countries, and there was a need for a clear timetable for action and agreement on a process for monitoring and evaluation. The translation of needs assessments for individual LDCs into operational programmes for consideration by donors would require major efforts.

42. The European Union continued to be concerned by the lack of information on the financial and human resources to be deployed by UNCTAD in making its contribution to individual country programmes, and the Board must be provided with detailed information in that respect. The European Union was also concerned that, two years after UNCTAD IX, the Special Coordinator for LDCs had not been appointed.

43. The European Union sought information from the secretariat on: the working context established between the UNCTAD secretariat and the secretariats of other co-operating agencies; discussions between WTO and UNCTAD on the latter's ideas for a follow-up mechanism; and whether the activities would be undertaken by the Office of the Special Co-ordinator or by the relevant division, with the Special Co-ordinator acting in a coordinating role. The European Union did not foresee the need for any additional resources to be made available to UNCTAD for its internal co-ordination, and it asked for confirmation of that from the secretariat.

44. The representative of **Ethiopia** said it was encouraging to see that the six agencies involved in the High-level Meeting were committed to working closely in the implementation of the Integrated Framework for Trade-related Technical Assistance. Success, however, would depend on the readiness of the trading partners of the LDCs to provide the necessary resources. The action by the Board on the implementation of the outcome of the High-level Meeting by UNCTAD was therefore only a beginning.

45. In the draft decision, the Secretary-General of UNCTAD was requested to consider convening an *ad hoc* meeting on the GSP, and that was of importance for LDCs. The problems of the LDCs with regard to existing preferential market

access opportunities related to the fact that either they were not fully aware of the existence of such opportunities or they lacked the institutional and human resource capacities to take advantage of them. He urged the convening of the meeting in question as early as possible, with broad participation of officials from LDCs.

46. The full implementation of the Integrated Framework for Trade-related Technical Assistance would require strengthened capacity in UNCTAD. In that regard, steps should be taken as expeditiously as possible to strengthen the Office of the Special Coordinator for the Least Developed, Land-locked and Island Developing Countries.

47. The spokesperson for the **Group of 77 and China** (Costa Rica) expressed satisfaction in connection with the draft decision and reiterated the full solidarity of her Group with the most vulnerable members of the Group of 77, namely the least developed countries. The Group of 77 also wished to reiterate its full support to the secretariat in its effort to implement the follow-up to the High-level Meeting.

48. The representative of **Uganda** stressed that for the follow-up to the High-level Meeting, each agency must try to implement its commitments in consonance with other agencies. In that connection, he emphasized the importance of the early appointment of the Special Co-ordinator for LDCs. There was a need for coordination at the national level, and he hoped that the UNCTAD secretariat would be in a position to respond to the requests of various Governments which needed assistance in that regard. Uganda had requested assistance for a Round Table Meeting. He looked forward to the convening of the ad hoc meeting on the GSP and GSTP, as called for in the draft decision, and he hoped that the Meeting would provide insights into the utilization of the GSP by the least developed countries. There was no need to stress the importance of inter-agency coordination, and in that regard he hoped that UNCTAD, given its experience as the focal point for LDCs in the United Nations system, could expedite the process.

49. The representative of **Sudan** said that the commitments entered into at the High-level Meeting had not yet been translated into reality, and prompt action was therefore required on the part of the LDCs' development partners. UNCTAD had the necessary means and expertise to be able to play the primary role in implementing the outcome of the High-level Meeting, in partnership with other agencies. When preparations for UNCTAD X got under way, one goal should be to develop national and international policy measures that would promote sustainable development in LDCs.

50. The representative of **Haiti** said that UNCTAD was the best placed of all the agencies involved in the High-level Meeting to coordinate the follow-up. It had long played a major role in the United Nations system in dealing with issues relating to LDCs, and it had been active in that respect long before the High-level Meeting, in particular within the framework of the implementation of the two Paris Programmes of Action for LDCs for the 1980s and 1990s, as well as in the context of the outcome of UNCTAD IX. UNCTAD also had a mandate to follow up on the whole range of recommendations of the High-level Meeting, including those in the area of market access and in respect of related problems such as poor physical infrastructure. UNCTAD should therefore consult with the other agencies

with a view to taking the lead in coordinating the follow-up to the High-level Meeting, and he called on the UNCTAD secretariat to do everything in its power to ensure an efficient follow-up process. In that connection, however, he shared the concern of other delegations with regard to the insufficiency of the means available to the secretariat.

51. The **Deputy Secretary-General of UNCTAD**, responding to the European Union, said that the existing inter-agency mechanism, which had been designed primarily to provide an integrated response in respect of needs assessments for countries not among the first 12 showcases, would continue to function in its present form. On the follow-up mechanism, there had been discussions with the WTO, and the latter's suggestion to maintain the present inter-agency mechanism and set up a very small administrative unit in ITC to provide logistical support and servicing, to which both WTO and UNCTAD would contribute some staff time, were acceptable to the UNCTAD secretariat. ITC was agreeable to proceeding in that way, which was more or less the method used in the case of the integrated technical assistance programme for selected least developed and other African countries. He also confirmed that there would be no need for additional resources for UNCTAD to provide for its own internal coordination; for that, UNCTAD would be using some of the additional resources allocated to its technical cooperation budget under section 21 of the budget. Any sectoral follow-up would be carried out by the divisions; the Special Co-ordinator would be responsible for co-ordinating that work and in some cases for organizing support for preparations for needs assessments, as long as these exercises involved a whole country and a number of sectors in it.

52. The representative of the **United States of America** said that her delegation would find it useful to have periodical reports on how the internal co-ordination was functioning, particularly once the Special Co-ordinator had been appointed. Such reports could of course be provided in an informal setting.

Action by the Board

53. At its 892nd plenary meeting, on 16 February 1998, the Board adopted draft decision TD/B/EX(16)/L.1 and requested the Secretary-General of UNCTAD to put into immediate effect the relevant parts of the recommendations contained therein. (For the text of decision 445 (EX-16), see chap. I).

IV. ORGANIZATION OF THE PROCESS OF THE MID-TERM REVIEW IN ACCORDANCE WITH THE MIDRAND DECLARATION AND GENERAL ASSEMBLY RESOLUTION 52/182

(Agenda item 3)

A. Consultations on the efficiency and functioning of UNCTAD's intergovernmental machinery

54. The representative of **Morocco**, speaking in his capacity as Vice-President of the Board and reporting on the informal consultations which he had conducted, said that one of the important outcomes of UNCTAD IX had been the decision to restructure the intergovernmental machinery in order to reflect the more focused work programme of UNCTAD, and the implementation of that decision had been generally satisfactory, since the new machinery had now been in operation for two years. At the same time, no major change could be expected to be problem-free, and the first meetings of the intergovernmental machinery had been marked by a number of difficulties and misunderstandings which had affected the way the machinery worked and sometimes also its effectiveness.

55. As far as the Commissions were concerned, difficulties had arisen in terms of, for example, the inadequacy of the links between panel discussions and intergovernmental debates and the excessive importance attached to procedural issues, while with regard to expert meetings, Commissions seemed not to be making enough use of their outcomes. In addition, panels had not always been used in the best way, while the choice of topics for expert meetings, their links with Commission agendas and the status of the participants had often been surrounded by ambiguity.

56. In the course of his consultations, delegations had reaffirmed their conviction that the current structure of the intergovernmental machinery, as established at UNCTAD IX, continued to play a crucial role in translating the decisions taken at Midrand into relevant and concrete actions and, with the support of the secretariat, in contributing to the integration of the developing countries and countries in transition into the world economy. The members of the Board who had participated in the consultations considered that the adoption of the guidelines contained in document TD/B/EX(16)/L.2 would help improve methods of work and enhance effectiveness. The guidelines should be implemented in full and at once with the support of the secretariat in order to attain the goals set.

57. The representative of **Mexico** said that he welcomed the guidelines, since there was a need to coordinate the work of the Board, the Commissions and expert meetings, as well as that of the secretariat. Particular attention should be paid to the timely distribution of documentation in all languages in order to facilitate member States' participation in meetings.

58. The spokesperson for the **Group of 77 and China** (Costa Rica) said that she welcomed the efforts being made to ensure the more efficient use of resources, but such efforts must not distract member States from the real business of UNCTAD.

Action by the Board

59. At its 892nd plenary meeting, on 16 February 1998, the Board decided to endorse the draft guidelines relating to the efficiency and functioning of the UNCTAD intergovernmental machinery presented by the Vice-President of the Board (TD/B/EX(16)/L.2) and decided that they should be put into effect immediately. (For decision 446 (EX-16), see chap. I).

B. Launching of the Mid-term Review

60. The **President** proposed that the Board launch the Mid-term Review process which would in the first instance culminate in an executive session of the Board on 10 July 1998. In that connection, the secretariat had circulated informal documentation showing what action had been taken in implementation of the outcome of UNCTAD IX and what remained to be done (UNCTAD/ISS/Misc.93 and Add.1). Two sessions of formal consultations would be held in June and July, and informal consultations could be held prior to that. He would request the Permanent Representative of Morocco, Vice-President of the Board, to chair both formal and informal consultations and to report to the Board on 10 July.

61. The representative of the **United Kingdom**, speaking on behalf of the **European Union**, said that it would be important to establish parameters, objectives and methods for the Mid-term Review, as well as to avoid a proliferation of informal meetings and procedural wranglings. The aim of the Mid-term Review should not be merely to determine what had been done and what had not. It would be important to look at such issues as the need to strengthen the link between the analytical work of UNCTAD and its technical cooperation activities. It might be useful for the Secretary-General of UNCTAD to produce a short paper on the Review.

62. The representative of **Norway** said that the Mid-term Review should concentrate on the work programme and refine priorities in the light of the experience acquired since UNCTAD IX. It should also serve as part of the preparations for UNCTAD IX. His delegation was concerned about the idea of dividing the Review into different phases, since it considered that it should involve an integrated process.

63. The representative of the **United States of America** said that she shared some of Norway's concerns. The high-level component of the Mid-term Review should be accorded the importance it deserved and could be organized on the day before or on the same day as the high-level segment of the Board at its forty-fifth session.

64. The spokesman for the **African Group** (South Africa) said that his delegation gave its fullest support to the suggestions of the President of the Board.

65. The representative of **Canada** said that it would be important to establish the timetable and objectives of the Mid-term Review as soon as possible. Given the importance of the Review, the high-level component could be scheduled during the high-level segment of the Board, or immediately before or after. It was to be hoped that a proliferation of informal meetings would be avoided.

66. The representative of **Morocco**, speaking in his capacity as Vice-President of the Board, said that the Mid-term Review would be completely transparent and not too time-consuming. In that connection, it would be important to respect the basic disciplines of intergovernmental work, such as following the schedule and agenda.

Action by the Board

67. At its 892nd plenary meeting, on 16 February 1998, the Board launched the mid-term review process. In so doing, it agreed that the Permanent Representative of Morocco, Vice-President of the Board, would conduct the informal and formal work of the review and report the outcome to the executive session of the Board on 10 July 1998. The purpose of the review would be to determine to what extent the mandate established at Midrand in terms of work programmes and institutional reforms had been implemented; to identify what remained to be completed before UNCTAD X, including any adjustment that would need to be made to fulfil commitments made at Midrand; and to make recommendations on the work programme and agendas for the Board, the Commissions and expert meetings in the period leading to UNCTAD X. The President would consult with the Secretary-General of UNCTAD and the presidency of UNCTAD IX (South Africa) as to how to finalize the review process and in particular how to respond to the General Assembly's request that the process should lead to a high-level meeting contributing to UNCTAD X.

V. UNCTAD's PUBLICATION POLICY IN ACCORDANCE WITH THE DECISION OF THE FIFTEENTH EXECUTIVE SESSION OF THE TRADE AND DEVELOPMENT BOARD

(Agenda item 4)

68. For its consideration of this item, the Board had before it the following documentation:

"Report on documentation and publications: report by the UNCTAD secretariat" (TD/B/EX(15)/5);

"Progress report on the implementation of UNCTAD's publication policy" (TD/B/EX(16)/3 and Add.1);

"Draft decision submitted by the President of the Trade and Development Board".

69. The **Deputy Secretary-General of UNCTAD** recalled UNCTAD's role, reaffirmed at UNCTAD IX, as a centre for research, conceptual innovation and policy analysis which illuminated changes in the global economy and facilitated policy formulation within, and constructive dialogue among, member States. Those objectives could only be attained if the results of UNCTAD's research and the lessons derived from its field operations reached the diverse individuals and institutions which shaped and implemented policies in member States. Publications, therefore, played an indispensable role in the fulfilment of UNCTAD's mission.

70. Referring to the rules and guidelines which governed UNCTAD's publications policy, he pointed out that, by the end of 1998, UNCTAD would have in place multilayered processes of both secretariat and intergovernmental scrutiny, in Geneva and in New York, which were unparalleled in the United Nations system for their transparency and rigour. This had been recognized by the Joint Inspection Unit in its recent report to the General Assembly. Another indication that UNCTAD's publications policy was appropriate was provided by the survey of proposed publications for the 1998-1999 biennium: Governments that had responded to the survey felt that the vast majority of planned publications were in fulfilment of mandates and were useful.

71. Apart from launching the first-ever scrutiny of UNCTAD's publications policy in fulfilment of paragraph 107 (a) of "A Partnership for Growth and Development", the Board might also wish to establish the modalities for conducting this exercise in the future. He felt that the Working Party on the Medium-term Plan and the Programme Budget could play a major role in this, as it was the intergovernmental body charged with the examination of the programme budget, of which the publications programme was an integral part. Furthermore, the Working Party would be better placed than in the past to perform this function, since UNCTAD's Secretary-General would make available towards the end of the first year of any biennium a first draft of the work programme for the following biennium and a list of proposed publications. Thus, member States would have nearly six months to obtain a considered reaction to the draft from their national experts. In addition to this material, the secretariat would

annually provide the Working Party with three further items of documentation: results of in-depth readership surveys on selected material published during the previous year; the results of a survey of publications issued; and a progress report on the implementation of UNCTAD's publication policy.

72. The spokesperson for the **Asian Group and China** (Thailand) stressed the importance attached by his Group to the issue of publications policy. He noted that, in general, member States should recognize that policy on publications was established by the General Assembly and the Secretary-General of the United Nations, and that UNCTAD, as part of the United Nations, must be guided by such policy.

73. UNCTAD's main clients were developing countries, who stood to benefit most from its publications. The usefulness of UNCTAD's publications was demonstrated by the survey carried out among member States on the proposed publications for 1998-1999. Many developing countries did not have the research facilities and the access to independent advice that developed countries had, and UNCTAD's publications were therefore of particular utility to them. In this light, the views of developing countries on publications were particularly important.

74. Member States of all country groups had consistently stated at Geneva and at New York that they had neither the wish nor the capacity to micro-manage the secretariat. They needed, however, to be assured that mandates were executed effectively and efficiently. The documentation available to the Board showed that, indeed, UNCTAD had in place suitable and effective mechanisms to ensure this. Since UNCTAD IX, publications had been fewer, more focused and of higher quality. He was therefore convinced that there existed a coherent balance between the prerogative of member States to establish mandates, set goals and judge whether they had been implemented and the managerial prerogative of the Secretary-General to use his discretion in carrying out member States' wishes. In this light, the Board's task was to discuss the "Report on documentation and publications", so that Secretary-General of UNCTAD could take the views of member States into account in the future. In particular, he believed that new publications on development issues which were in line with the changing international economic environment should also be considered.

75. The representative of the **United States of America** said that the proposed draft decision would allow member States to participate actively in monitoring UNCTAD's publication policy. She stressed the need for UNCTAD's publications department to have better information technology equipment and for UNCTAD's computer personnel to have long-term contracts.

76. The representative of the **United Kingdom**, speaking on behalf of the **European Union**, stressed the importance attached by the European Union to the issue of publications policy. He expressed his disappointment at the delay in the formal discussion of this issue by member States, and at not having had an earlier opportunity to comment on the "Report on documentation and publications", an excellent basis on which to start examining the policy. He also found the "Progress report on the implementation of UNCTAD's publications policy" valuable and helpful for the future debate. He hoped that there would be no further delays in examining this issue, starting in April in the Working Party on the Medium-term Plan and the Programme Budget.

77. While recognizing that many UNCTAD publications were valuable in terms of implementing mandates, he stressed that they should be demand-driven. For this, selectivity was important, target audiences had to be clearly identified for each publication, and a publication should be issued only when there was a need. He wished to know how the Publications Committee had utilized the outcome of the survey of member States on the proposed publications for 1998-1999 with a view to rationalizing the publications programme, and who decided which publications were to be subjected to in-depth scrutiny. A mechanism was also needed to prioritize publications. Member States should be informed of the outcomes of the work of the Publications Committee and the Flagship Report Review Panel, and of the editorial guidelines established within the secretariat. He welcomed the agreement reached between UNCTAD and Department of Economic and Social Affairs concerning their respective flagship reports in the macroeconomic area.

78. The representative of **Uganda** said that UNCTAD existed primarily to serve developing countries, who made use of UNCTAD publications to understand issues and to obtain policy advice. The interests of developing countries and their views on publications were therefore very important. The evaluations of UNCTAD publications conducted to date had shown that they were useful and of high quality. He stressed that publications were important to enable UNCTAD's work to be known and to have an impact. UNCTAD should concentrate on critical issues, and intellectual content was important. He agreed that publications should be demand-driven, but also found that sometimes it would be useful if UNCTAD would look at some issues in advance. He maintained that member States should not micro-manage to the extent that publications came to represent only a certain way of thinking.

79. The representative of **Bangladesh** suggested that UNCTAD publications could also examine development issues in key fields such as new discoveries in energy, including gas. It was member States who should establish publications policy.

80. The representative of **India** complimented the secretariat for the reports prepared for the session. He attributed the delays in the formal discussion on publications policy partly to the long interval between the executive sessions of the Board.

81. The representative of **Norway** said he agreed with many of the comments made by the European Union. UNCTAD's publications should be relevant, demand-driven and prioritized, and they should be directed towards concrete needs and distributed in a cost-effective manner. He urged the avoidance of duplication with the publications of other institutions and thought that the possibility of merging or abolishing publications should be considered.

82. The **Deputy Secretary-General of UNCTAD** said that the secretariat, too, was disappointed at the delay in the formal discussion on this issue by member States. The publications policy had been before the Board at three sessions and had still not been substantively discussed, despite the importance attached to it by many member States.

83. With regard to the survey of proposed publications for 1998-1999, which had been submitted to the Working Party on the Medium-term Plan and the Programme Budget for its consideration in reviewing the proposed programme budget, the results were not easy to interpret. Even if a publication had received a

relatively low average rating, that average generally concealed wide divergences in the ratings given by individual member States. For example, the ATAS Bulletin, which had received the lowest average rating of all 89 documents surveyed, had been given the top rating by one member State, the second highest by eleven member States, the third highest by seven member States, and the lowest by only four member States. In the absence of clear guidance, it was not possible to terminate a publication.

84. The representative of **Switzerland** said that his country attached great importance to member States playing an active role in monitoring individual publications, and it therefore welcomed that aspect of the draft decision.

Action by the Board

85. At its 892nd plenary meeting, on 16 February 1998, the Board adopted the draft decision submitted by the President of the Board. (For the text of decision 447 (EX-16), see chap. I). The Board further agreed that the next consultations of the President of the Trade and Development Board would be devoted in part to the question of UNCTAD's publication policy.

VI. UNCTAD's TECHNICAL COOPERATION PLAN FOR 1998-2000

(Agenda item 6)

86. For its consideration of this item, the Board had before it the following documentation:

> "UNCTAD's technical cooperation plan for 1998-2000: Note by the UNCTAD secretariat" (TD/B/EX(16)/2).

87. The representative of the **UNCTAD secretariat**, responding to a question raised by Uganda, said that the technical cooperation plan would be revised as appropriate to reflect the work to be undertaken by UNCTAD in implementation of the outcome of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development.

88. The spokesperson for the **Group of 77 and China** (Costa Rica) said that her Group supported the efforts of the secretariat with regard to technical cooperation, but it should be borne in mind that the original mandate of UNCTAD related to analysis, and the efficacy of the UNCTAD secretariat must not be reduced through a proliferation of technical cooperation activities.

89. The representative of the **United Kingdom**, speaking on behalf of the **European Union**, said that there was a need for more strategic planning, better overall planning and improved delivery in UNCTAD's technical cooperation activities. It was also crucial to take full account of the requirements of recipients.

90. The representative of **Colombia** noted that technical cooperation activities in Latin America had declined, and Latin America had in fact become the region with the lowest level of activity. He urged that the resources available for technical cooperation be distributed equitably among the regions. Finally, he emphasized that documentation prepared for the Board should be translated into all languages in full.

Action by the Board

91. At its 892nd plenary meeting, on 16 February 1998, the Board took note of UNCTAD's Technical Cooperation Plan for 1998-2000 (TD/B/EX(16)/2).

VII. OTHER BUSINESS

(Agenda item 7)

A. Membership of the Working Party on the Medium-term Plan and the Programme Budget

92. At its 892nd plenary meeting, on 16 February 1998, the Board took note of the membership of the Working Party for 1998, as follows: Bangladesh; Brazil; China; Ethiopia; France; Indonesia; Ireland; Japan; Kenya; Mexico; Morocco; Norway; Pakistan; Poland; Russian Federation; Slovakia; Sweden; United States of America; Uruguay.

B. UN/IMO Diplomatic Conference on Arrest of Ships - General Assembly resolution 52/182

93. For its consideration of this subitem, the Board had before it the following documentation:

"UN/IMO Diplomatic Conference on Arrest of Ships - General Assembly resolution 52/182: Note by the UNCTAD secretariat" (TD/B/EX(16)/4).

94. The representative of the **United Kingdom**, speaking on behalf of the **European Union**, said that UNCTAD should not play any substantive role in connection with the Diplomatic Conference. The role of the UNCTAD secretariat should be limited to one of administrative support.

95. The representative of the **UNCTAD secretariat** said that the Diplomatic Conference had been convened by the General Assembly. The role of UNCTAD would be limited to what had been set out in the General Assembly's resolution.

Action by the Board

96. At its 892nd plenary meeting, on 16 February 1998, the Board endorsed the arrangements of the Diplomatic Conference proposed by the UNCTAD secretariat in document TD/B/EX(16)/4, as follows:

(a) The Conference would be scheduled to be held in Geneva for a period of two weeks from 1 to 12 March 1999;

(b) The Secretaries-General of UNCTAD and IMO would make the necessary arrangements, in accordance with General Assembly resolution 52/182, to hold the Conference and to submit to the Conference all relevant documentation, including draft rules of procedure of the Conference, as well as to arrange for all required facilities for the Conference;

(c) The Conference would establish one main Committee to consider the entire substantive work of the Conference;

(d) The languages of the Conference would be Arabic, Chinese, English, French, Russian and Spanish.

C. Savings resulting from improved overall cost effectiveness

97. For its consideration of this subitem, the Board had before it draft decision TD/B/EX(16)/L.3.

98. The representative of the **United Kingdom**, speaking on behalf of the **European Union**, said that, if the Working Party on the Medium-term Plan and the Programme Budget was to consider the matter of savings, it would be important for the relevant documentation to be made available by the secretariat as soon as possible.

99. The representative of **Japan** endorsed the point made by the United Kingdom.

100. The representative of the **UNCTAD secretariat** said that the documentation would be made available six weeks prior to the session of the Working Party.

101. The representative of **Turkey** said that there should be a reference to paragraph 103 of "A Partnership for Growth and Development" in the draft decision. The only mention of savings so far concerned the allocation of 72 work months of interregional advisory services for the biennium 1998-1999. It was not clear whether these savings were similar in nature to the savings targeted in the draft decision.

102. The **Deputy Secretary-General of UNCTAD** said that paragraph 103 of "A Partnership for Growth and Development" was reflected in General Assembly resolution 51/167, which was referred to in the draft decision. The documentation to be prepared for the Working Party could include some discussion of what was meant by "savings".

Action by the Board

103. At its 892nd plenary meeting, on 16 February 1998, the Board adopted draft decision TD/B/EX(16)/L.3, as orally amended by the President. (For the text of decision 448 (EX-16), see chap. I).

104. The spokesperson for the **Latin American and Caribbean Group** (Venezuela) said it was hoped that the Working Party would work effectively with a view to recommending ways of allocating savings. Efficient and transparent cooperation on the part of the secretariat would be essential.

105. The spokesperson for the **Group of 77 and China** (Costa Rica) said that it was important to get a clear idea of the actual savings obtained in order to see how to use them. It should be borne in mind that UNCTAD was the flagship in the process of reform in the United Nations.

D. UNCTAD calendar of meetings

106. At its 892nd plenary meeting, on 16 February 1998, the Board approved the revised calendar of meetings for 1998. (For the revised calendar, see TD/B/44/INF.2/Rev.1.)

VIII. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

107. The sixteenth executive session of the Trade and Development Board was opened on 16 February 1998 by Mr. Goce Petreski (former Yugoslav Republic of Macedonia), President of the Board.

B. Bureau of the sixteenth executive session

108. There being no change in the elected officers of the Bureau since the forty-fourth session, the Bureau of the Board at its sixteenth executive session was as follows:

President:	Mr. Goce Petreski	(former Yugoslav Republic of Macedonia)
Vice-Presidents:	Mr. Anne Anderson	(Ireland)
	Mr. Michael Ray Arietti	(United States of America)
	Mr. Dhumahdass Baichoo	(Mauritius)
	Mr. Nacer Benjelloun-Touimi	(Morocco)
	Mrs. Eveline Herfkens	(Netherlands)
	Mr. Anthony Hill	(Jamaica)
	Mr. Gilberto Saboia	(Brazil)
	Mr. Vasili Sidorov	(Russian Federation)
	Mr. Bjorn Skogmo	(Norway)
	Mr. Bozorgmehr Ziaran	(Islamic Republic of Iran)
Rapporteur:	Mr. Sek Wannamethee	(Thailand)

C. Adoption of the agenda

(Agenda item 1)

109. At its 891st meeting, on 16 February 1998, the Board adopted the provisional agenda for its sixteenth executive session (TD/B/EX(16)/1), as amended by the President. (For the agenda, see annex I below.)

D. Designation of intergovernmental bodies and non-governmental organizations for the purposes of rules 76 and 77 of the rules of procedure of the Board

110. The Board noted that two intergovermental organizations in status with UNCTAD had changed their names: the International Conference of African States on Insurance Supervision had changed its name to the Inter-African Conference of Insurance Markets (Conférence interafricaine des marchés d'assurance); the Andean Reserve Fund had changed its name to the Latin American Reserve Fund.

111. The Board approved the applications of two non-governmental organizations and decided to classify them as follows:

Special category: International Centre for Trade and Sustainable Development (ICTSD)(TD/B/EX(16)/R.1) to participate in the work of the Commission on Trade in Goods and Services, and Commodities;

General category: International South Group Network (ISGN) (TD/B/EX(16)/R.2).

112. The Board also noted that the Baltic Exchange should be deleted from the list provided for in rule 77 of the rules of procedure of the Board.

E. Report of the Board on its sixteenth executive session

(Agenda item 8)

113. The Board authorized the Rapporteur to complete the report on its sixteenth executive session under the authority of the President. It requested the secretariat to circulate a synoptic report of the proceedings as soon as possible; this synoptic report would serve as the Board's report to the General Assembly.

ANNEXES

Annex I

AGENDA FOR THE SIXTEENTH EXECUTIVE SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Adoption of the agenda

2. Follow-up to the WTO High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development (27-28 October 1997)

3. Organization of the process of the mid-term review in accordance with the Midrand Declaration and General Assembly resolution 52/182

4. UNCTAD's publication policy in accordance with the decision of the fifteenth executive session of the Trade and Development Board

5. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

6. UNCTAD's Technical Cooperation Plan for 1998-2000

7. Other business:

   (a) Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1998

   (b) UN/IMO Diplomatic Conference on Arrest of Ships - General Assembly resolution 52/182

   (c) Savings resulting from improved overall cost effectiveness

   (d) UNCTAD calendar of meetings

8. Report of the Board on its sixteenth executive session

Annex II

ATTENDANCE */

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Argentina
Australia
Austria
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Canada
Chile
China
Colombia
Costa Rica
Croatia
Cuba
Czech Republic
Democratic People's Republic of Korea
Denmark
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Gabon
Germany
Ghana
Greece
Guatemala
Haiti
Iceland
India
Indonesia
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Nepal
Netherlands
New Zealand
Nicaragua
Norway
Pakistan
Paraguay
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Senegal
Slovakia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
The Former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Yemen
Zambia

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*/ For the list of participants, see TD/B/EX(16)/INF.1.

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Eritrea
Holy See
Rwanda

3. The International Trade Centre UNCTAD/WTO was represented at the session.

4. The following specialized agencies and related organization were represented at the session:

International Labour Organisation
Food and Agriculture Organization of the United Nations
International Monetary Fund
World Intellectual Property Organization
United Nations Industrial Development Organization

The World Trade Organization was also represented at the session.

5. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
Agency for Cultural and Technical Co-operation
Arab Labour Organization
Common Fund for Commodities
European Community
European Free Trade Association
Latin American Economic System
Organization of African Unity
Organization of the Islamic Conference

6. The following non-governmental organizations were represented at the session:

General Category

International Confederation of Free Trade Unions
Junior Chamber International
Third World Network
World Confederation of Labour
World Federation of United Nations Associations
World Vision International

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Printed at United Nations, Geneva
GE.98-50418–April 1998–1,940

United Nations publication